



NEWS RELEASE

Tennessee Regulatory Authority

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BellSouth Notifies TRA of its Intent to Leave the Pay Phone Business

Nashville, TN – The Tennessee Regulatory Authority (TRA) today received formal notification from BellSouth officials of the company's intent to discontinue its payphone operations in Tennessee.

BellSouth's transition out of the coin-operated telephone business, which will take place across its nine state service region, will result in the removal of approximately 7,000 coin-operated telephones in Tennessee. The company has said that it will exit the market by the end of the first quarter of 2004.

BellSouth officials indicated that it would be selling its payphones to other telecommunications carriers, and that payphone service will be provided by other companies. According to TRA records, 250 companies are authorized to provide pay telephone service in the state.

"Bellsouth informed the TRA that they have provided notice to customers over the last several months, described their transition plan and also assured us this will have no effect on any other provider's ability to order access lines from Bellsouth," stated Debi Tate, Chairman of the TRA.

"We will continue to provide information on our website about payphone locations and other providers and also to monitor this transition. Congress envisioned that with deregulation new modes of competition and customer choice would come, and that certainly seems to be the case in this market."

For a list of payphone operators in Tennessee, visit the Tennessee Regulatory Authority web site at www.state.tn.us/tra.